

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

THOMAS M. MONAHAN

CRD #1192627

ORDER OF DENIAL OF
AGENT REGISTRATION

Thomas M. Monahan
1184 Washington Avenue
Haddonfield, NJ 08033

Source Capital Group, Inc.
276 Post Road
Westport, CT 06880

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law (1997) N.J.S.A 49:3-47 to 76 ("Law"), more particularly, N.J.S.A. 49:3-58, and after careful review and due consideration of the facts set forth below the Bureau Chief has determined that Thomas M. Monahan's application for agent registration with Source Capital Group, Inc., CRD #36719, will be DENIED for the reasons below:

1. Thomas M. Monahan ("Monahan") CRD #1192627, resides at 1184 Washington Avenue, Haddonfield, New Jersey 08033.
2. Monahan applied with the Bureau for agent registration with Source Capital Group, Inc., on July 18, 2005. Monahan's application for agent registration is currently pending with the Bureau.
3. Monahan was last registered with the Bureau as a registered representative of Morgan Stanley Dean Witter, Inc. ("Morgan Stanley"), CRD #7556, from October 20, 1999 through November 25, 2002.

4. Pursuant to N.J.S.A. 49:3-58(a):

The bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(v) is the subject of an effective order of the bureau chief denying, suspending, or revoking registration as a broker-dealer, agent, investment adviser, investment adviser representative or securities offering registrant; (vi) ... or is the subject of an order of the Securities and Exchange Commission, a self-regulatory organization, the Commodity Futures Trading Commission, an insurance regulator, or a federal or state banking regulator, suspending or expelling him from a national securities or commodities exchange or national securities or commodities association registered under the "Securities Exchange Act of 1934," or the "Commodity Exchange Act," or from engaging in the banking or insurance business, or is the subject of a United States Post Office fraud order;

MONAHAN IS THE SUBJECT OF AN EFFECTIVE ORDER OF THE
BUREAU CHIEF DENYING HIS REGISTRATION AS AN AGENT

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(v)

MONAHAN IS THE SUBJECT OF AN ORDER ENTERED
WITHIN THE PAST FIVE YEARS BY A STATE SECURITIES
ADMINISTRATOR DENYING HIS AGENT REGISTRATION
APPLICATION

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

5. By order dated August 6, 2003, the New Jersey Bureau of Securities denied Monahan's application for agent registration. This order was based on applicant's having engaged in dishonest or unethical practices in the securities business, as well as the NYSE's Hearing Panel Decision of June 12, 2003 suspending Monahan for 12 months with sanctions and censure.

MONAHAN WAS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY
ORGANIZATION SUSPENDING HIM FROM A NATIONAL SECURITIES EXCHANGE OR
NATIONAL SECURITIES ASSOCIATION

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

6. On June 12, 2003, the New York Stock Exchange ("NYSE"), through a NYSE Hearing Panel, conducted a hearing on charges contained in a Charge Memorandum issued by NYSE's Division of Enforcement on April 8, 2002 against Monahan. Monahan was charged with: (1) making misstatements to a customer regarding the terms of certificates of deposit ("CDs"); (2) effecting trades of CDs at prices away from the market; (3) effecting unauthorized trades in customer accounts; (4) failing to act in the best interests of his customers; and (5) violating NYSE Rule 440 and SEC Rules 17a-3 and 17a-4 by causing his employer to reflect inaccurate purchase and sale prices of CDs on its books and records.
7. The Hearing Panel, by unanimous vote, found Monahan guilty of Charges 1, 2, 3, and 4, and not guilty of Charge 5. As a result, Monahan was censured, suspended from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization for a period of one year and fined \$25,000.
8. Consequently, after Monahan sought to re-register with the Bureau as an agent on March 31, 2003, the Bureau reviewed the application and entered an Order of Denial of Agent Registration pursuant to N.J.S.A. 49:3-58 on August 6, 2003.
9. Based upon the foregoing, the denial of Monahan's application for registration as an agent is in the public interest under N.J.S.A. 49:3-58(a)(1), and is necessary for the protection of investors.

THEREFORE, IT IS ON THIS 23rd day of December, 2005 ORDERED that, pursuant to N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-58(a)(2)(v) and N.J.S.A. 49:3-58(a)(2)(vi), Thomas M. Monahan's application for registration as an agent of Source Capital Group, Inc. is hereby DENIED.

By Franklin L. Widmann
Franklin L. Widmann
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-58(c)(2), upon service or notice of the Denial Order issued by the bureau chief, the applicant shall have up to fifteen (15) days to respond to the Bureau in the form of a written answer and written request for a hearing. A request for a hearing must be accompanied by a written response in accordance with N.J.A.C. 13:47A-13.13 addressing specifically each of the reasons set forth in the Order which formed the basis for its entry. A general denial is unacceptable.

Pursuant to N.J.S.A. 49:3-58(c)(2), the bureau chief shall, within five (5) days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Pursuant to N.J.S.A. 49:3-58(c)(3), if an applicant fails to respond by filing a written answer and request for a hearing with the Bureau within the fifteen (15) day prescribed period, the Order shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 *et seq.*, provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone

or in combination. These remedies include, in addition to this action denying your application for registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action. N.J.S.A. 49:3-70.1.

You are further advised that the entry of this Order of Denial does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.